IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO.818 OF 2005
IN
COMPANY PETITION NO.475 OF 1993

In the matter of Companies Act, I of 1956 ;

And

In the matter of M/s.Shree Shankar Steels (P) Ltd. (In Liqn.)

Rajastjan Financial Corpn. ....Applicants

Ms.Yamini Chandran i/b Umesh Shetty & Co. for the Applicants.

Ms.K.V. Gautam, Deputy Official Liquidator present.

CORAM : S.J. VAZIFDAR, J.
DATED : 24TH FEBRUARY, 2006.

P.C. :

1. The Applicants claim to be the mortgagees in respect of the suit property which they seek to sell in exercise of their rights as mortgagees. There prima-facie does not appear to be any dispute about the Applicant being the mortgagee in respect of the said property.

2. The workers dues will also have to be paid from out of the sale proceeds as per the provisions of

Section 529 of the Companies Act. Various other dues such as statutory dues may also have to be paid therefrom. At this stage the Applicants therefore cannot appropriate the entire sale proceeds. Liberty to apply in this regard.

3. In the circumstances, in view of the order passed by A.M. Khanwilkar, J. dated 16.9.2005 in *The Saraswat Co-op. Bank Ltd. v. New Rashma Dyeing Ltd. (In Liquidation) in Company Application No.466 of 2005 in Company Petition No.1126 of 1996,* the following order is passed :-

> Steps be taken to advertise the public auction in respect of the said properties of the company in liquidation. Joint advertisement be issued by the Official Liquidator and the Applicant Bank who is the secured creditor having invoked action under Section 30 of the Securitisation Act. Bids will be invited and considered in the presence of the Official Liquidator at the specified time and place. The Official Liquidator to then submit his report before this Court for confirmation of the sale. The above steps be taken within four weeks. The Applicant to forward bids

already received to the Official Liquidator which will be considered along with other bids received pursuant to the fresh advertisement. The Official Liquidator to submit his report within four weeks for confirmation of sale. The Applicant shall in the first instance incur all expenses connected with the sale including advertisement expenses in advance and subject to adjustment/credit in accordance with law.

4. The application is disposed of on the above terms.